

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	Re: Dkt. No. 13157
	X	

**DRA PARTIES' APPLICATION TO FILE A RESPONSE TO THE
FOMB'S SUR-REPLY [DKT. NO. 13157]**

COME NOW AmeriNational Community Services, LLC (hereafter the “Servicer”), as servicer for the GDB Debt Recovery Authority (the “DRA”), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company which serves as the collateral monitor for Wilmington Trust, N.A. in connection with the new bonds issued by the DRA pursuant to the *Government Development Bank for Puerto Rico Debt Restructuring Act*, Act No. 109-2017, as amended by Act No. 147-2018 and the approved Qualifying Modification for the Government Development Bank for Puerto Rico² under Title VI of the *Puerto Rico Oversight, Management*

¹ The Debtors in these title III cases, along with each Debtor’s respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

² See Dkt. No. 270 of Civil Case No. 18-01561 (LTS).

and Economic Stability Act (the “Collateral Monitor” and with the Servicer, the “DRA Parties”), by and through the undersigned legal counsel, and respectfully submit this application (the “Application”) to file a response to the *Sur-Reply of Financial Oversight and Management Board for Puerto Rico in Opposition to Motion of Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance Corporation, National Public Finance Guarantee Corporation, and Financial Guaranty Insurance Company for Relief from the Automatic Stay, or, in the Alternative, Adequate Protection* [Dkt. No. 13157] (the “FOMB’s Sur-Reply”).

APPLICATION

1. On May 7, 2020, this Court entered the *Order Granting Opposed Urgent Motion of the Government Parties for Leave to File Sur-Replies and to Adjourn the Preliminary Hearing Regarding the Revenue Bond Lift Stay Motions to June 4, 2020* [Dkt. No. 13068] (the “Order”).

2. The Order permits the Government Parties to file a sur-reply of up to 30 pages each to the three lift stay motions filed by Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance Corporation, National Public Finance Guarantee Corporation, and Financial Guaranty Insurance Company. *See* Order ¶ 3. Additionally, pursuant to the Order, “any application for permission to file responses to the Government Parties sur-replies shall be filed no later than 12:00 p.m. (Atlantic Standard Time) on May 19, 2020.” *Id.* ¶ 4.

3. On May 18, 2020, the FOMB filed the FOMB’s Sur-Reply. The FOMB’s Sur-Reply contains new arguments that have not been raised by the FOMB before, including the FOMB’s rationale as to why it believes the HTA Allocable Revenue Statutes (such as Acts 30 and 31) are “appropriations”, and explains for the first time its purported legal theories in support of such belief. *See* FOMB’s Sur-Reply ¶¶ 7, 9-11, and 20-21.

4. Consistent with the terms of the Order, the DRA Parties hereby submit this Application requesting the Court's permission to file a response to the FOMB's Sur-Reply.

5. The Court should permit the DRA Parties to respond to the FOMB's Sur-Reply because it raises significant new theories which the DRA Parties have not had an opportunity to address before, such as responding to the FOMB's theories on what constitute appropriation statutes in Puerto Rico and explain why Acts 30 and 31 do not meet this threshold.

WHEREFORE, the DRA Parties respectfully request for the entry of an Order significantly in the form of the proposed order attached hereto as **Exhibit A**, granting the DRA Parties leave to respond to the FOMB's Sur-Reply.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, today May 19, 2020.

CERTIFICATE OF SERVICE: In accordance with Fed. R. Bankr. P. 9014(b), Fed. R. Bankr. P. 7004(b), and the Court's *Eleventh Amended Notice, Case Management and Administrative Procedures Order* (Docket No. 11885-1 of Case No. 17-03283 (LTS)) (the "CMP Order"), we hereby certify that a true and exact copy of the foregoing was sent by electronic mail upon all the parties listed in the Master Service List and by U.S. mail upon all the Standard Parties listed in the CMP Order.

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Recovery Authority***

Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

	X	
In re:	:	
	:	
THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
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as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	Re: Dkt. No. 13157
	X	

**[PROPOSED] ORDER ON DRA PARTIES’ APPLICATION TO FILE A RESPONSE TO
THE FOMB’S SUR-REPLY [DKT. NO. 13157]**

Upon consideration of the *DRA Parties’ Application to File a Response to the FOMB’s Sur-Reply* (the “Application”),² seeking leave allowing the DRA Parties to file a response to the FOMB’s Sur-Reply, the Court hereby FINDS AND DETERMINES that (i) the Court has jurisdiction to consider the Application and the relief requested therein pursuant to Section 306(a) of PROMESA; (ii) venue is proper before this Court pursuant to Section 307(a) of PROMESA; (iii) the relief requested in the Application is proper and in the best interest of the Title III debtors, their creditors, and other parties in interest; and (iv) due and proper notice of the

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² Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.

Application has been provided under the particular circumstances and no other or further notice need be provided. Accordingly, it is hereby ORDERED THAT:

1. The Application is GRANTED as set forth herein.
2. The DRA Parties may file a response to the FOMB's Sur-Reply of no more than seven pages, exclusive of the cover page, tables of contents and authorities, signature page, exhibits, and the certificate of service.
3. The DRA Parties shall not be prejudiced from seeking further relief should the DRA Parties determine the need to request additional relief.
4. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation and interpretation of this Order.

SO ORDERED

Dated: May ___, 2020
San Juan, Puerto Rico

HONORABLE LAURA TAYLOR SWAIN
United States District Judge